

Message Text

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ACTION EB-07

INFO OCT-01 EA-06 IO-10 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-02 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

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R 011002Z APR 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 1804

INFO USMISSION GENEVA

C O N F I D E N T I A L MANILA 4011

E.O. 11652: GDS

TAGS: ETRD, GATT, RP

SUBJECT: MTN CONSULTATIONS WITH PHILIPPINE DELEGATION

REF: STATE 069471

1. AGREE WITH DEPARTMENT VIEW EXPRESSED PARA ONE REFTEL THAT FILIPINOS STILL HARBOR THE NOTION THAT THEIR TRADE INTERESTS IN U.S. CAN BE FULLY MET WHILE NEITHER TRADE NOR INVESTMENT CONCESSIONS ARE MADE TO THE UNITED STATES. SUCH IS LONGAHELD VIEW OF AMBASSADOR VEGA WHO HEADS PHILIPPINE DEL TO MTN AND THERE ARE OTHER SUCH QUOTE TRUE BELIEVERS UNQUOTE IN PHILIPPINE BUREAUCRACY. FOOT DRAGGING BY FILIPINOS ON GETTING DOWN TO SERIOUS BILATERALS HAS BEEN TRACEABLE IN PART TO VEGA'S THEORY OF THE PROBLEM. IT WOULD BE A USEFUL SERVICE TO PHIL DEL AND TO US IF U.S. MISSION GENEVA WOULD INFORMALLY BUT FIRMLY DISCOURAGE VEGA FROM THINKING THAT CONCESSIONS ON AREAS OF MAJOR FILIPINO TRADE INTEREST CAN BE HAD WITHOUT SIGNIFICANT RECIPROCITY, OR THAT FILIPINOS CAN DUCK ANY FACING UP TO THE NEED FOR MORE CAREFULLY DEFINING THE GROUND RULES RELATING TO AMERICAN INVESTMENT

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INTERESTS IN PHILIPPINESM

2. ON SPECIFIC RESPONSES TO PHILIPPINE QUESTIONS EMBASSY
HAS FOLLOWING QUESTIONS AND COMMENTS:

(A) PARA 6 RE CONCESSIONS ON TROPICAL PRODUCTS. ON THE CRITERIA GIVEN IN THIS PARAGRAPH, PRESUMABLY THE U.S. WILL BE IN POSITION IMMEDIATELY TO BEGIN IMPLEMENTATION OF ANY BILATERAL AGREEMENT REACHED WITH THE FILIPINOS AFTER SEPTEMBER OR SO 1975. THE PROSPECT OF EARLY BILATERAL RECIPROCAL CONCESSIONS -- THAT IS WELL AHEAD OF MTN RESULTS -- HAS BEEN AN IMPORTANT SELLING POINT FOR BILATERALS IN RECENT COMMENTS MANILAN ESPECIALLY BY FINANCE SECRETARY VIRATA. EMBASSY INTENDS REITERATE THIS POINT TO VIRATA AT EARLIEST OPPORTUNITY, AND TRUSTS GENEVA WILL UNDERSCORE TO VEGA.

(B) PARA 7, ADVANCE IMPLEMENTATION. WOULD IMMEDIATE MFN EXTEND TO COUNTRIES WHICH HAVE NOT REPAT NOT OFFERED RECIPROCITY FOR A GIVEN CONCESSION REACHED IN A BILATERAL EXCHANGE WITH PHILIPPINES? IF SUCH IS THE CASE, FILIPINOS MAY WELL BE ENCOURAGED TO SEE WHAT OTHERS DO. IF RECIPROCITY IS REQUIRED, AS WE UNDERSTAND IT IS, TO QUALIFY FOR MFN TREATMENT, WE HOPE THIS WILL BE STRESSED TO VEGA.

(C) PARA 9, GSP REQUESTS. IN THIS PARAGRAPH AN UNEXPECTEDLY FORTHCOMING STATEMENT IS MADE THAT QUOTE WE WILL BY HAPPY TO RECEIVE NEW PHILIPPINE GSP REQUESTS AS THEY MAY BE RECEIVED. UNQUOTE THIS LOOKS LIKE BOTH AN OPEN SESAME AND A CAN OF WORMS. FILIPINOS WILL INTERPRET THIS LANGUAGE, AS INDEED WILL MOSTN TO MEAN A GOOD DEAL MORE THAN WE INTEND. EMBASSY BELIEVES IT WOULD BE WISE TO GO BACK TO EARLIER CAUTIOUS LINE ON COUNTRY LISTS, UNLESS THERE ARE BETTER PROSPECTS FOR DELIVERY ON SUCH COUNTRY PROPOSALS THAN HERETOFORE SEEMED POSSIBLE.

3. APPRECIATE DEPARTMENT AND GENEVA COMMENT.
SULLIVAN

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